

INSURANCE DIVISION[191]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 505.8 and chapter 505B as amended by 2015 Iowa Acts, House File 504, the Insurance Division (the “Division”) hereby gives Notice of Intended Action to amend Chapter 4, “Agency Procedure for Rule Making and Waiver of Rules,” Chapter 20, “Property and Casualty Insurance,” Chapter 30, “Life Insurance Policies and Annuities,” Chapter 35, “Accident and Health Insurance,” Chapter 39, “Long-Term Care Insurance,” and Chapter 40, “Health Maintenance Organizations,” Iowa Administrative Code.

The purpose of these amendments is to clarify the authorized methods of delivery for notices of cancellation, nonrenewal or termination and to recognize acceptable proof of receipt for such notices, so as to implement the various policyholder protections intended by Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504; chapter 508; and sections 509B.5, 513B.5, 514B.17, 514B.17A, 514D.3, 514G.111, 515.125, 515.126, 515.127, 515.128, 515.129, 515.129A, 515.129B, 515.129C, 515D.5, 515D.7, 518.23, 518A.29, and 519.8; and by rules 191—39.22(514G), 191—40.10(514B), and 191—92.6(508).

Iowa Code chapter 505B, which became effective on July 1, 2014, authorizes insurers and policyholders to consent to the delivery of notices or documents by electronic means. Amendments to Iowa Code chapter 505B were enacted by 2015 Iowa Acts, House File 504, and became effective July 1, 2015. The amendments to Iowa Code chapter 505B prohibit the use of electronic means to provide required notices of cancellation, nonrenewal or termination. However, the amendments to Iowa Code chapter 505B contemplate that the Iowa Insurance Commissioner may approve an insurance company’s proposed electronic means of delivery of a notice or document. The amendments in this Notice of Intended Action prescribe the manner in which an insurance company may seek the Insurance Commissioner’s approval of a proposed electronic means of delivery.

The Division intends that insurance companies doing business in Iowa must be in compliance with these rules beginning November 4, 2015.

Any interested person may make written suggestions or comments on these proposed amendments on or before September 4, 2015. Such written materials should be directed to Doug Ommen, Iowa Insurance Division, Two Ruan Center, 601 Locust Street, Fourth Floor, Des Moines, Iowa 50319; fax (515)281-3059; e-mail doug.ommen@iid.iowa.gov.

Also, there will be a public hearing on September 3, 2015, at 10 a.m., at the offices of the Iowa Insurance Division, Two Ruan Center, 601 Locust Street, Fourth Floor, Des Moines, Iowa, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Division and advise of specific needs.

The Insurance Division’s general waiver provisions in 191—Chapter 4 apply to these rules.

These amendments will impose no fiscal impact to the State.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 505, 508, 509B, 513B, 514, 514B, 514D, 514G, 515, 515D, 518, 518A and 519 and chapter 505B as amended by 2015 Iowa Acts, House File 504.

The following amendments are proposed.

ITEM 1. Amend rule 191—4.24(17A) as follows:

191—4.24(17A) Criteria for waiver or variance.

4.24(1) *Criteria for order for waiver or variance.* In response to a petition completed pursuant to rule 191—4.26(17A), except for a petition seeking a waiver order issued pursuant to subrule 4.24(2), the insurance division may in its sole discretion issue an order waiving in whole or in part the requirements of a rule if the division finds, based on clear and convincing evidence, all of the following:

~~1. a.~~ Application of the rule would impose an undue hardship on the person for whom the waiver is requested;

~~2. b.~~ Waiver from the requirements of the rule in the specific case would not prejudice the substantial legal rights of any person;

~~3. c.~~ Provisions of the rule subject to the petition for a waiver are not specifically mandated by statute or another provision of law;

~~4. d.~~ Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver is requested; and

~~5. e.~~ If the rule implements Iowa Code chapter 502, or is being applied in conjunction with implementation of Iowa Code chapter 502, a waiver may be granted only if the waiver is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of Iowa Code chapter 502.

4.24(2) *Criteria for waiver or variance related to approval of a manner of electronic delivery of notices of cancellation, nonrenewal or termination.* This subrule is intended to implement Iowa Code section 17A.9 and section 505B.1 as amended by 2015 Iowa Acts, House File 504.

a. For purposes of Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504, and this subrule, the following definitions shall apply:

(1) “Commissioner” means the Iowa insurance commissioner or insurance division.

(2) “Notice of cancellation, nonrenewal or termination” means:

1. Notice of an insurance company’s termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company’s decision or intention not to renew a policy; and

3. For purposes of notices required by Iowa Code chapters 508, 509B, 513B, 514, 514B, 514D, 514G, 515, 515D, 518, 518A and 519 and chapter 505B as amended by 2015 Iowa Acts, House File 504, “notice of cancellation, nonrenewal or termination” includes but is not limited to the following:

• An insurance company’s notice of cancellation, nonrenewal, suspension, exclusion, intention not to renew, failure to renew, termination, replacement, rescission, forfeiture or lapse in an annuity policy, a life insurance policy, a long-term care insurance policy, or an insurance policy other than life;

• An insurance company’s rescission or discontinuance of an accident and health insurance policy;

• An insurance company’s notice of cancellation of personal lines policies or contracts;

• A health maintenance organization’s notice to an enrollee of cancellation or rescission of membership;

• An employer’s or group policyholder’s notice to an employee or member of the termination or substantial modification of the continuation of an employer group accident or health policy; or

• A carrier’s or organized delivery system’s advance notice to affected small employers, participants, and beneficiaries of its decision to discontinue offering a particular type of health insurance coverage.

b. This subrule shall apply to all insurance companies holding a certificate of authority to transact the business of insurance in Iowa, health maintenance organizations, employers, group policyholders, carriers and organized delivery systems and to all requirements by statute or rule related to notices of cancellation, nonrenewal or termination. This subrule shall apply when an insurance company, health maintenance organization, employer, group policyholder, carrier or organized delivery system seeks the commissioner’s approval of a manner for delivering by electronic means required notices of cancellation,

nonrenewal or termination, as described in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504.

c. The commissioner, by order pursuant to this chapter, may approve a request for approval of a manner for delivering notices of cancellation, nonrenewal or termination by an electronic means if the commissioner has jurisdiction to enforce the statute or rule requiring the notice and if the requested approval is consistent with Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and with this chapter.

d. In response to a petition submitted pursuant to rule 191—4.26(17A) and related statutes and rules, the commissioner may approve an insurer’s proposed manner for delivering notices of cancellation, nonrenewal or termination by an electronic means and issue an order waiving in whole or in part the requirements of a rule, if the commissioner finds, based on clear and convincing evidence, all of the following:

(1) The proposed manner provides for verification of receipt by the person for whom the notice is required;

(2) The proposed manner provides for consent, by the person for whom the notice is required, to have notices or documents delivered by electronic means, in compliance with Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504; and

(3) The proposed manner provides that the insurance company to maintain adequate records of notices, receipt verifications and consents. The records shall be available for review upon request by the commissioner or by the person for whom the notice was required.

e. Such an order of waiver would constitute approval by the commissioner to satisfy Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504.

f. The commissioner may, upon proper request by an insurance company pursuant to rule 191—1.3(22,502,505) or another applicable rule, maintain, in whole or in part, the confidentiality of information, documents and materials describing an insurer’s proposed manner for delivering notices of cancellation, nonrenewal or termination by electronic means:

(1) If release of the submitted documents or materials would disclose trade secrets protected by law, pursuant to Iowa Code section 22.7(3) and rule 191—1.3(22,502,505);

(2) If release would give advantage to competitors and serve no public purpose, pursuant to Iowa Code section 22.7(6) and rule 191—1.3(22,502,505); or

(3) If the documents or materials otherwise may be withheld from public inspection pursuant to Iowa Code chapter 22 or rule 191—1.3(22,502,505).

ITEM 2. Amend rule 191—20.80(505B,515,515D,518,518A,519) as follows:

191—20.80(505B,515,515D,518,518A,519) Notice of cancellation, nonrenewal or termination of property and casualty insurance.

20.80(1) Purpose and definitions.

a. Purpose. The purpose of this rule is to implement the policyholder protections of Iowa Code sections 515.125, 515.126, 515.127, 515.128, 515.129, 515.129A, 515.129B, 515.129C, 515D.5, 515D.7, 518.23, 518A.29 and 519.8 and chapter 505B as amended by 2015 Iowa Acts, House File 504, by clarifying the authorized methods of delivery for notices of cancellation, nonrenewal and or termination by an insurer. ~~Presumption of receipt in the context of a postal service mailing is a well-settled principle of Iowa law (see *Montgomery Ward v. Davis*, 398 N.W.2d 869, 870-871 (Iowa 1982)), but Iowa courts have not yet recognized a presumption of receipt for electronic transmissions. Notwithstanding Iowa Code section 554D.110(4)“b,” delivery by electronic transmission, for the purposes of this rule, does not provide for satisfactory verification or acknowledgment of receipt, as required by Iowa Code section 505B.1(6).~~

b. Definitions. As used in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and this rule:

(1) “Commissioner” means the Iowa insurance commissioner or insurance division.

(2) “Notice of cancellation, nonrenewal or termination” means:

1. Notice of an insurance company's termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company's decision or intention not to renew a policy; and

3. For purposes of notices required by Iowa Code sections 515.125, 515.126, 515.127, 515.128, 515.129, 515.129A, 515.129B, 515.129C, 515D.5, 515D.7, 518.23, 518A.29 and 519.8, "notice of cancellation, nonrenewal or termination" includes but is not limited to an insurance company's notice of cancellation, forfeiture, suspension, exclusion, nonrenewal, intention not to renew, or failure to renew.

20.80(2) No change.

20.80(3) ~~Delivery and receipt.~~ For any notice of cancellation, nonrenewal or termination by an insurer under Iowa Code sections 515.125, 515.126, 515.127, 515.128, 515.129, 515.129A, 515.129B, 515.129C, 515D.5, 515D.7, 518.23, 518A.29 and 519.8 to be effective, an insurer must, within the time frame established by law, ~~either~~ deliver the notice to the insured, named insured, or loss payee or to another person to whom notice is required to be provided either in person or by mail ~~the notice~~ through the U.S. Postal Service to the last-known address of the insured, named insured, loss payee or other person to whom notice is required to be provided. The use of U.S. Postal Service Intelligent Mail® fulfills any requirement in the Iowa Code sections cited in this subrule for certified mail or certificate of mailing as proof of mailing.

20.80(4) ~~Electronic transmissions.~~ Electronic transmissions do not currently ~~Notwithstanding the requirements of subrule 20.80(3), if an insurer receives, pursuant to 191—subrule 4.24(2), approval from the commissioner of a manner of electronic delivery of a notice of cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the notice requirements of Iowa Code sections 515.125, 515.126, 515.127, 515.128, 515.129, 515.129A, 515.129B, 515.129C, 515D.5, 515D.7, 518.23, 518A.29 and 519.8 and chapter 505B as amended by 2015 Iowa Acts, House File 504. However, additional communication of notices by electronic means may be provided by an insurer as a service to a policyholder.~~

This rule is intended to implement Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504.

ITEM 3. Amend rule 191—30.9(505,508) as follows:

191—30.9(505,508) Notice of cancellation, ~~forfeiture, lapse,~~ nonrenewal or termination of life insurance and annuities.

30.9(1) Purpose and definitions.

a. Purpose. The purpose of this rule is to clarify the authorized methods of delivery for notices of cancellation, ~~forfeiture, lapse,~~ nonrenewal and or termination by an insurer or insurance producer required for contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25, so as to require reasonable procedures for providing notice to policyholders of the consequences of cancellation, ~~forfeiture, lapse,~~ nonrenewal or termination of life insurance and annuity contracts. ~~In universal life contracts, specific advance notice is required by rule 191—92.6(508). The Uniform Electronic Transactions Act, in Iowa Code section 554D.110(4) "b," provides that a requirement under a law to send, communicate, or transmit a record by first-class mail postage prepaid may be varied by agreement to the extent permitted by the other law. Notification regulation should effectively require reasonable advance notice to life insurance and annuity policyholders that insurance coverage will cease or be placed under a nonforfeiture benefit on a date certain. Presumption of receipt in the context of a postal service mailing is a well-settled principle of Iowa law (see *Montgomery Ward v. Davis*, 398 N.W.2d 869, 870-871 (Iowa 1982)), but Iowa courts have not yet recognized a presumption of receipt for electronic transmissions. Notwithstanding Iowa Code section 554D.110(4) "b," delivery by electronic transmission, for the purposes of this rule, does not provide for satisfactory verification or acknowledgment of receipt, as required by Iowa Code section 505B.1(6).~~

b. Definitions. As used in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and this rule:

(1) "Commissioner" means the Iowa insurance commissioner or insurance division.

(2) "Notice of cancellation, nonrenewal or termination" means:

1. Notice of an insurance company's termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company's decision or intention not to renew a policy; and

3. For purposes of notices of cancellation, nonrenewal or termination of contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25, "notice of cancellation, nonrenewal or termination" includes but is not limited to the following:

• An insurance company's notice of cancellation, nonrenewal or termination of life insurance or annuities;

• Notice of replacement of life insurance, for which specific notice is required to be provided by the insurance producer pursuant to rule 191—16.24(507B); and

• Notice of termination of universal life contracts, for which specific advance notice is required to be provided by the insurance company pursuant to rule 191—92.6(508).

30.9(2) No change.

30.9(3) ~~Delivery and receipt.~~ For any notice of cancellation, ~~forfeiture, lapse,~~ nonrenewal or termination by an insurer in contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25 to be effective, an insurer must, within the time frame established by law, or such reasonable time in advance and as governed by contract, ~~either~~ deliver the notice to the ~~named~~ insured, applicant, policyowner, or another person to whom notice is required to be provided ~~either~~ in person or by mail ~~the notice~~ through the U.S. Postal Service to the last-known address of the ~~named~~ insured, applicant, policyowner, or other person to whom notice is required to be provided. For replacements of life insurance, specific notice is required to be provided by the insurance producer pursuant to rule 191—16.24(507B). For universal life contracts, specific advance notice of termination is required to be provided by the insurance company pursuant to rule 191—92.6(508). The use of U.S. Postal Service Intelligent Mail® fulfills any requirement for the contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25 and for notices required by rule 191—16.24(507B) or 191—92.6(508) for certified mail or certificate of mailing as proof of mailing.

30.9(4) ~~Electronic transmissions.~~ ~~Electronic transmissions do not currently~~ Notwithstanding the requirements of subrule 30.9(3), if an insurer receives, pursuant to 191—subrule 4.24(2), approval from the commissioner of a manner of electronic delivery of a notice for cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the requirements of Iowa Code section 505B.1(6) or 508.25, 2015 Iowa Acts, House File 504, rule 191—16.24(507B) or 191—92.6(508), or this rule or of rule 191—92.6(508). However, additional communication of notices by electronic means may be provided by an insurer as a service to a policyholder.

ITEM 4. Amend **191—Chapter 30**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 505.8, 508.25, 508.28 and 508A.4 and Iowa Code ~~chapters 505B and chapter 509~~ and chapter 505B as amended by 2015 Iowa Acts, House File 504.

ITEM 5. Amend rule 191—35.9(509B,513B,514D) as follows:

191—35.9(509B,513B,514D) Notice of cancellation, ~~rescission, discontinuance~~ nonrenewal or termination of accident and health insurance.

35.9(1) *Purpose and definitions.*

a. Purpose. The purpose of this rule is to clarify the authorized methods of delivery for notices of cancellation, ~~rescission, discontinuance and nonrenewal or termination~~ by an insurer, issuer, employer, group policyholder, carrier or organized delivery system, so as to implement the various policyholder protections intended by Iowa Code sections 509B.5, 513B.5, 514D.3, 515.125 and 515.129A and chapter 505B as amended by 2015 Iowa Acts, House File 504. ~~Presumption of receipt in the context of a postal service mailing is a well-settled principle of Iowa law (see *Montgomery Ward v. Davis*, 398 N.W.2d 869, 870-871 (Iowa 1982)), but Iowa courts have not yet recognized a presumption of receipt for electronic transmissions. Notwithstanding Iowa Code section 554D.110(4) "b," delivery by~~

~~electronic transmission, for the purposes of this rule, does not provide for satisfactory verification or acknowledgment of receipt, as required by Iowa Code section 505B.1(6).~~

b. Definitions. As used in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and this rule:

(1) “Commissioner” means the Iowa insurance commissioner or insurance division.

(2) “Notice of cancellation, nonrenewal or termination” means:

1. Notice of termination of an insurance policy at the end of a term or before the termination date;

2. Notice of a decision or intention not to renew a policy; and

3. For purposes of notices required by Iowa Code sections 509B.5, 513B.5, 514D.3, 515.125 and 515.129A and chapter 505B as amended by 2015 Iowa Acts, House File 504, “notice of cancellation, nonrenewal or termination” includes but is not limited to the following:

• An employer’s or group policyholder’s notification to employees or members of the termination or substantial modification of the continuation of an employer group accident or health policy pursuant to Iowa Code section 509B.5;

• A carrier’s or organized delivery system’s advance notice to all affected small employers, participants, and beneficiaries of its decision to discontinue offering a particular type of small group health insurance plan pursuant to Iowa Code section 513B.5(1)“e”(2);

• An insurance company’s notice of termination of an individual accident and sickness policy, pursuant to rules promulgated pursuant to Iowa Code section 514D.3;

• An insurance company’s notice of forfeiture, suspension, cancellation, or intention not to renew, pursuant to Iowa Code section 515.25; or

• An insurance company’s notice of cancellation of personal lines policies or contracts pursuant to Iowa Code section 515.129A.

35.9(2) No change.

35.9(3) ~~Delivery and receipt.~~ For any notice of cancellation, ~~rescission, discontinuance~~ nonrenewal or termination by an insurer ~~under Iowa Code sections 509B.5, 513B.5, 514D.3, 515.125 and 515.129A,~~ employer, group policyholder, carrier or organized delivery system to be effective, an insurer, employer, group policyholder, carrier or organized delivery system must, within the time frame established by law, either deliver the notice to the insured, named insured, policyholder, employee, member, affected small employer, participant beneficiary, or another person to whom notice is required to be provided either in person or by mail the notice through the U.S. Postal Service to the last-known address of the insured, named insured, policyholder, employee, member, affected small employer, participant beneficiary, or other person to whom notice is required to be provided. The use of U.S. Postal Service Intelligent Mail® fulfills any requirement in the Iowa Code sections cited in this subrule for certified mail or certificate of mailing as proof of mailing.

35.9(4) ~~Electronic transmissions.~~ Electronic transmissions do not currently Notwithstanding the requirements of subrule 35.9(3), if an insurer, issuer, employer, group policyholder, carrier or organized delivery system receives, pursuant to 191—subrule 4.24(2), approval from the commissioner of a manner of electronic delivery of a notice of cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the notice requirements of Iowa Code sections 509B.5, 513B.5, and 514D.3, 515.125 and 515.129A and chapter 505B as amended by 2015 Iowa Acts, House File 504. ~~However, additional communication of notices by electronic means may be provided by an insurer as a service to a policyholder.~~

This rule is intended to implement Iowa Code chapters 509B, 513B, 514D, and 515 and chapter 505B as amended by 2015 Iowa Acts, House File 504.

ITEM 6. Amend rule 191—39.33(514G) as follows:

191—39.33(514G) Notice of cancellation, ~~forfeiture, lapse~~ nonrenewal or termination of long-term care insurance.

39.33(1) *Purpose and definitions.*

a. Purpose. The purpose of this rule is to clarify the authorized methods of delivery for notices of cancellation, ~~forfeiture, lapse and~~ nonrenewal or termination by an insurer, so as to implement the

various policyholder protections intended by Iowa Code section 514G.111 and rule 191—39.22(514G). ~~Presumption of receipt in the context of a postal service mailing is a well-settled principle of Iowa law (see *Montgomery Ward v. Davis*, 398 N.W.2d 869, 870-871 (Iowa 1982)), but Iowa courts have not yet recognized a presumption of receipt for electronic transmissions. Notwithstanding Iowa Code section 554D.110(4)“b,” delivery by electronic transmission, for the purposes of this rule, does not provide for satisfactory verification or acknowledgment of receipt, as required by Iowa Code section 505B.1(6).~~

b. Definitions. As used in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and this rule:

(1) “Commissioner” means the Iowa insurance commissioner or insurance division.

(2) “Notice of cancellation, nonrenewal or termination” means:

1. Notice of an insurance company’s termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company’s decision or intention not to renew a policy; and

3. For purposes of notices required by Iowa Code section 514G.111 and rule 191—39.22(514G), at a minimum, an insurance company’s notice of lapse or termination of a long-term care insurance policy.

39.33(2) No change.

39.33(3) ~~Delivery and receipt.~~ For any notice of cancellation, ~~forfeiture, lapse nonrenewal or termination by an insurer under Iowa Code section 514G.111 and rule 191—39.22(514G) to be effective, an insurer must, within the time frame established by law, either deliver the notice to the named insured policyholder, insured, designee, or another person to whom notice is required to be provided either in person or by mail the notice through the U.S. Postal Service to the last-known address of the named insured policyholder, insured, designee, or other person to whom notice is required to be provided.~~ The use of U.S. Postal Service Intelligent Mail® fulfills any requirement in Iowa Code section 514G.111 and rule 191—39.22(514G) for certified mail or certificate of mailing as proof of mailing.

39.33(4) ~~Electronic transmissions.~~ ~~Electronic transmissions currently fail to~~ Notwithstanding the requirements of subrule 39.33(3), if an insurer receives, pursuant to 191—subrule 4.24(2), approval from the commissioner of a manner of electronic delivery of a notice of cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the notice requirements of Iowa Code section 514G.111 and rule 191—39.22(514G). ~~However, additional communication of notices by electronic means may be provided by an insurer as a service to a policyholder.~~

This rule is intended to implement Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504.

ITEM 7. Amend rule 191—40.26(514B) as follows:

191—40.26(514B) Notice of cancellation, ~~rescission, discontinuance~~ nonrenewal or termination of enrollment.

40.26(1) Purpose and definitions.

a. Purpose. The purpose of this rule is to clarify the authorized methods of delivery for notices of cancellation, ~~rescission, discontinuance~~ nonrenewal or termination by a health maintenance organization, so as to implement the various consumer protections intended by Iowa Code sections 514B.17 and 514B.17A and rule 191—40.10(514B). ~~Presumption of receipt in the context of a postal service mailing is a well-settled principle of Iowa law (see *Montgomery Ward v. Davis*, 398 N.W.2d 869, 870-871 (Iowa 1982)), but Iowa courts have not yet recognized a presumption of receipt for electronic transmissions. Notwithstanding Iowa Code section 554D.110(4)“b,” delivery by electronic transmission, for the purposes of this rule, does not provide for satisfactory verification or acknowledgment of receipt, as required by Iowa Code section 505B.1(6).~~

b. Definitions. As used in Iowa Code section 505B.1 as amended by 2015 Iowa Acts, House File 504, and this rule:

(1) “Commissioner” means the Iowa insurance commissioner or insurance division.

(2) “Notice of cancellation, nonrenewal or termination” means:

1. Notice of an insurance company's termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company's decision or intention not to renew a policy; and

3. For purposes of notices required by Iowa Code sections 514B.17 and 514B.17A and rule 191—40.10(514B), "notice of cancellation, nonrenewal or termination" includes but is not limited to a health maintenance organization's notice to an enrollee of cancellation or rescission of membership.

40.26(2) No change.

40.26(3) *Delivery and receipt.* For any notice of cancellation, ~~rescission, discontinuance~~ nonrenewal or termination by a health maintenance organization under Iowa Code sections 514B.17 and 514B.17A and rule 191—40.10(514B) to be effective, a health maintenance organization must, within the time frame established by law, ~~either~~ deliver the notice to the ~~named insured~~ enrollee or to another person to whom notice is required to be provided either in person or by mail ~~the notice~~ through the U.S. Postal Service to the last-known address of the ~~named insured~~ enrollee or of the other person to whom notice is required to be provided. The use of U.S. Postal Service Intelligent Mail® fulfills any requirement in Iowa Code sections 514B.17 and 514B.17A and rule 191—40.10(514B) for certified mail or certificate of mailing as proof of mailing.

40.26(4) *Electronic transmissions.* ~~Electronic transmissions do not currently~~ Notwithstanding the requirements of subrule 40.26(3), if an insurer receives, pursuant to 191—subrule 4.24(2), approval from the commissioner of a manner of electronic delivery of a notice of cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the notice requirements of Iowa Code sections 514B.17 and 514B.17A and rule 191—40.10(514B). ~~However, additional communication of notices by electronic means may be provided by an insurer as a service to the named insured.~~

This rule is intended to implement Iowa Code chapter 505B as amended by 2015 Iowa Acts, House File 504.